

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

Charles
GENERAL JULES CABELL

responsibilities for the National Security, and our understanding of the teamwork which is so vital in carrying out our task. First, the CIA is part of the Governmental Intelligence Community. It gets its job done by means of corroboration, work, and assistance from and to other Government agencies. The associations which our people make among their classmates are not only lasting and personal, but help us substantially in this respect. And, finally, I think that the students gain, too, by their association with the CIA representatives.

Now, we have arranged a presentation for you today which will describe how and why CIA came into being, and what it does, how it is organized in work, and where it is placed in the National Security structure of the Government. You will also hear something about our inter-departmental relationships and overseas activities. But since a large number of you are military officers, before turning the program over to other speakers, I should like to spend a few minutes in discussing some of this Agency's activities.

I believe that this subject will also interest those of you who were with other agencies. One of the principal tasks assigned to the Director of Central Intelligence is that of co-ordination. This task is accomplished through a variety of methods, from the formal Intelligence Advisors Committee machinery to the informal day-to-day working level opposite-number contact and communication of ideas. This communication and exchange of ideas between ourselves and the military services is enhanced by the assignment to CIA of a good number of military officers and enlisted men. In fact between five and fifteen percent of our personnel are active-duty military people. (Now I am giving a bracket here that is five to fifteen percent rather than the

DOC	17	REV DATE	14/1/81	BY	025251
ORIG COMP	-	GPI	11	TYPE	01
ORIG CLASS	5	PAGES	24	REV CLASS	5
JUST	22	NEXT REV	2011	AUTH:	HR 70-2

-1-

SECRET

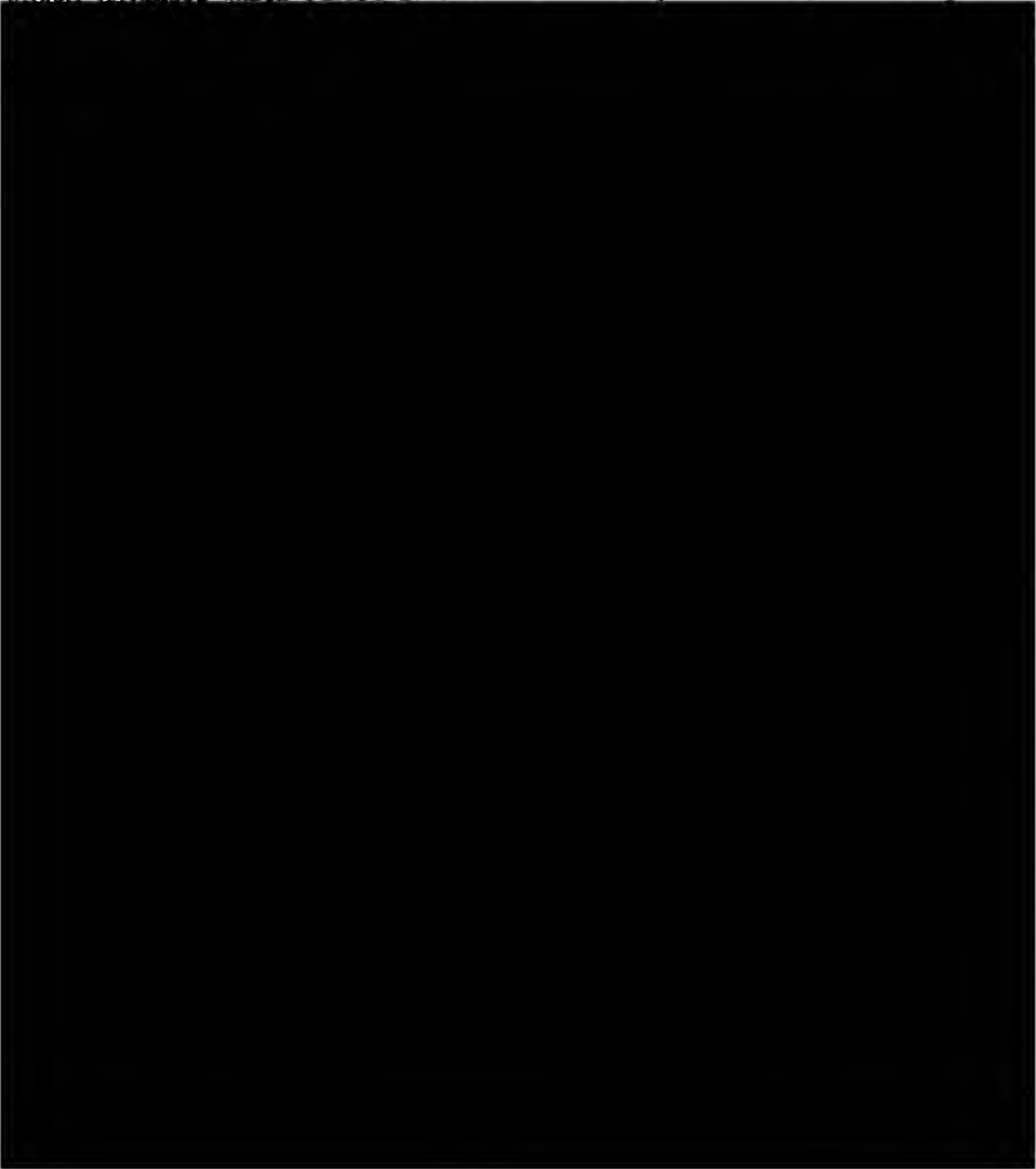
Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

actual percentage because we think it important that the total Agency strength remain secret.)

Now this admixture of civilian and military talent, points of view, traditions, and concepts is healthy. It provides an essential balance to our business. The mixture assists in maintaining mutual understanding and confidence between this Agency and Defense. It also provides many operational advances which otherwise would be awkward, if not impossible, to



25X1C

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

In our leadership role it has taken time to develop understood policies and procedures and get them in working order. There undoubtedly have been, in this period, some people on both sides who have been made unhappy or frustrated and who, without much soliciting, have a story to tell. I would like to think that the good points of our relationship overcome those more isolated instances, and I hope that when you return to your own service you carry with you an improved understanding of this Agency's role in the overall National Security structure and of its relationship with your own departments.

Many of you on graduation will return to your parent services and assignments which will present you with a need-to-know about some of our specific operations. I hope you will feel free to call upon us at that time for information. Others of you at some point in your career may have an opportunity to serve with CIA, and I trust that the briefing you get today will give you further insight into the advantages and disadvantages of such an assignment. I will now turn the rostrum back over to Mr. Baird, our Director of Training, who has organized the presentation and who will introduce speakers and monitor the question period. Thank you very much.

Next speaker will be the Inspector General, Mr. Lyman B. Kirkpatrick, who will speak to you on the origin, the mission, and the structure of CIA.

MR. LYMAN B. KIRKPATRICK

Admiral Wooldridge, Gentlemen:

September 18th, this year, will mark the tenth anniversary of the Central Intelligence Agency, as well as the United States Air Force, Joint Chiefs of Staff, Department of Defense, and the National Security Council.

Here is a brief history, a summary history, of the modern origin of the Central Intelligence concept of the U.S. Government.

In 1940, when the Western allies were at their lowest ebb, President Roosevelt asked Col. William J. Donovan, of New York, to take two trips abroad to find out what the true situation was. Col. Donovan, as you may remember, was the Medal-of-Honor winner with the Fighting 69th in World War I and, as a prominent New York attorney, had been very active and interested in international affairs. His first trip went to southern Europe, into the Balkans, and he came back and reported on that at a time when many senior U.S. representatives abroad were counselling that the British could not possibly hold out against the Germans. Consequently, later in the year Donovan went back and talked to many of the leaders of the French and British. He reported to the President that he thought the British would hold out, but that the United States should gird itself for global warfare. And here Donovan's prime interest and information and intelligence of subversive activities came to the fore and he urged the creation of an intelligence structure of this nature.

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

He went around and talked to Secretary of Navy Knox, Secretary of War Stimson, and Attorney General Jackson, and urged the creation of an organization in the United States Government that would merge intelligence with the forces of propaganda and subversion.

On June 10th, 1941, Donovan proposed a Service of Strategic Information be created. This organization, he suggested, would have an advisory body composed of the heads of Intelligence of the Army and Navy, and the head of the Federal Bureau of Investigation, and a representative from the White House. It would have the right to collect and analyze intelligence of the strategic nature independently and it would not interfere, in any way, with the responsibilities of the mutual departments for the collection and analysis of departmental intelligence.

This was the origin of the Office of the Co-ordinator of Information, which combined overt propaganda with research, analysis and intelligence with clandestine activities. In June 1942, this office was split, and there was created from the information portions the Office of War Information, which is a predecessor to our current U.S. Information Agency. From the balance of the organization there was created the Office of Strategic Services.

From the Office of Strategic Services the modern Intelligence Community inherited certain assets. These included some techniques and collection of overt clandestine intelligence. It included certain counterespionage files which had been developed primarily with the assistance of the British: it included some very sound new techniques in research and analysis in basic intelligence: there were some skilled personnel: and, last but not least, there was a reservoir of relationships with certain key Foreign Intelligence services.

As a result of this early start, several of the senior officials in the U.S. Intelligence Community during the war started to think about a peace-time intelligence service. On August 25th, 1942, Brig. Gen. John McGruder, later to be Deputy Director of OSS, proposed a Joint Intelligence Bureau under the Joint Chiefs of Staff. This started a period of about two years of intensive thinking, proposals and counter-proposals for a combined Central Intelligence Agency organization.

There was considerable discussion as to where this organization should report, whether it should report directly to the President, whether it should report to the Joint Chiefs of Staff, or whether it should report to the Department of State; and, needless to say, there were very strong views held on the behalf of each of these points.

On October 5th, 1944, General Donovan produced a paper entitled "A Proposal for a Permanent World-wide Intelligence Service." Now there were certain basic principles in this paper which it is interesting to note. It proposed that this world-wide intelligence service should have independent communications, and should have an independent intelligence

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

collection organization. On the other hand, it stressed the fact that the new organization was in no way to cut into the rights of the established departments for the collection, analysis and dissemination of their own intelligence, and it proposed that the head of the new organization should report directly to the President.

This paper became the basis for further intensive discussion on the subject of an intelligence organization. Secretary of War Stimpson, in his postwar biography written with McGeorge Bundy, had a rather interesting comment in this context. I'll read it to you. Stimpson was insistent that no impatience with its occasional eccentricities should deprive the Army of the profits and co-operation with Gen. Donovan's Office of Strategic Services. Throughout the war the intelligence activities of the United States Government remained incompletely coordinated, but, here again, it was necessary to measure the profits of reorganization against its dislocations and on the whole Stimpson thought that the American achievement in this field measured against the conditions of 1940 was more than satisfactory. A full reorganization belonged to the postwar period.

As a result of the Donovan paper of October 1944 the Joint Strategic Survey Committee came up with a proposal of its own. This is on January 18th, 1945. Many of its proposals were identical with the Donovan paper. However, in this particular paper, it created a National Intelligence Authority composed of the Secretaries of State, War, and Navy and Chiefs of Staff to the President. It proposed an Advisory Board to the new central organization consisting of the heads of all the intelligence services. It also proposed that the new organization should have a collective rather than an individual responsibility because one of the important parts of the Donovan paper was that the head of the organization should have the individual responsibility for the presentation of National intelligence to the President.

The Joint Strategic Survey Committee paper was in January 1945, and on February 9th, the Chicago Tribune and the Washington Times Herald came out with almost an exact report on the context of the paper. The result of this was that there was a considerable furore in Washington and in Congress there were several Congressional statements to the effect that what had been proposed by General Donovan and by others in the Government was the creation of a peace-time "Gestapo".

At any rate the creating plus the war at this point was rapidly coming to a conclusion that was such that no further activity was taken in this regard until after the end of the war. I'm sure we all remember the haste with which the United States commenced demobilization and the elimination of its wartime agencies.

On September 20th, 1945, the Office of Strategic Services was officially disbanded. Its Espionage and Counterespionage or SI Branch together with its Covert Operations Branch or SO were transferred into a unit called the Strategic Services Unit which is placed under the

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

Assistant Secretary of War. The Secretary of War made a poll of the various military commands as to whether this unit should be preserved or not. The Navy reported from the Pacific that they had had very little experience with OSS and couldn't comment. Gen. MacArthur commented that the OSS had never appeared in his theater, and therefore his views were to the contrary in maintaining it. The CBI theater reported that they had received very many major assets from OSS as did the European theater and both of those recommended its neededness.

At any rate, the decision was made that the SSU, the Strategic Service unit would be maintained on a stand-by basis pending further developments. A second major portion of the OSS, the Research and Analysis Branch, together with the Presentation Unit were transferred intact to the Department of State and here they were maintained. The old R & A today is the basis of what is the Office of Intelligence Research in State.

At this point the Secretaries of State, War and Navy got together on November 14th, 1945, and established an Inter-departmental Subcommittee to determine what should be done in regard to a permanent Central Intelligence Organization. This subcommittee had, as well as the Donovan paper of 1944, a paper produced by Ferdinand Eberstadt dated October 22nd, 1945 which proposed among other things the unification of the Army and the Navy, a National Security Council, a National Intelligence Authority, and a Central Intelligence Organization.

It was just about at this juncture that President Truman started to get impatient and in January of 1946 he called in Admiral Souers, Admiral Lahey and urged on them to come up immediately with an "agreed paper" for the creation of a Central Intelligence Organization. The result of this was the Executive Order of January 22nd, 1946, which created the Central Intelligence Group and President Truman named, at the head of this, Admiral Souers as a temporary head until the Army and Navy and State Department could agree on a permanent head.

The Central Intelligence Group was to consist of representatives of the Army and the Navy as well as civilians: it had the power to propose plans for co-ordination: it had the authority to analyze and process intelligence: and, it was established under a National Intelligence Authority similar to the ones proposed before, composed of State, Navy and War, and Chiefs of Staff to the President.

Shortly after this proposal the President sent this executive order to Congress and urged that together with the Eberstadt report on unification they use this as a basis for legislation, permanently establishing a Central Intelligence Organization. This Organization finally was created exactly a year and a half after the creation of the Central Intelligence Group when on July 25th, 1947, a National Security Act of 1947 was passed setting up the Central Intelligence Agency.

-6-

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

Now, in the mean time, in this year and a half, there had been an accretion of functions to the Central Intelligence Group--some of these taken from War agencies which were being disbanded, and some functions passed from line agencies who were, at the time, faced with some major budget cuts. These accretions are interesting because they compose a certain basis for the present Organization of CIA.

For example, the Strategic Services Unit which had been maintained under the Army was passed over to CIG, and was the basic nucleus of the present organization which conducts espionage and counterespionage. The Washington Document Center which had been maintained by the Navy throughout the war, was passed over and, together with the German Military Document Center from Fort Holibird of the Army, became the basis for the Foreign Documents Division of the present organization.

STATSPEC

So the missions of the Central Intelligence Agency when it was created were fairly well generally delineated by certain National Intelligence Authority Directives and by the National Security Act of 1947.

There are two important aspects of this Act which are worthy of note. First, the Act stresses co-ordination responsibility, and in so doing it names the Director of Central Intelligence, and the Deputy Director of Central Intelligence. (You'll note that the word 'Agency' is left off these titles so both Mr. Dulles and Gen. Cabell have a dual responsibility as Director of Central Intelligence and Deputy Director of Central Intelligence, at the same time as the administrative heads of the Agency.) The Act also specified that the departmental responsibilities for intelligence would not be affected: it was very specific that the new Agency should have no police or subpoena powers, and then it put in the usual blanket clause that it should perform certain services of common concern.

Now this Act together with the National Security Council Directives, and the National Security Council Intelligence Directives, delineates the responsibilities and the missions of the CIA. The distinction between NSC Directives and NSCID's is this: National Security Council

-7-

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

25X1A

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

Next 1 Page(s) In Document Exempt

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

~~SECRET~~

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

You will note that today basically the organization is grouped under three principal deputies with the Fourth Deputy, [REDACTED] responsible for co-ordination activities. Starting at the top on the right of the Director is the Special Assistant for Planning, this individual is responsible for long-range planning, that is co-ordinating the long-range planning of the various parts of the Agency, and for handling such special cross-Agency projects as might be assigned him by the Director.

25X1A

On the left is myself, the Inspector General, whose functions are very much like those of the IG's and the Military Services, periodic inspections of all components, trouble shooting, and acting as an appeal board for individual complaints. --The Executive Officer is the usual role. Now, the three deputies organization starting at the right, the Deputy Director of Plans [REDACTED]

25X1A

And then, of course, there is a small Inspection and Review Staff, and a Plans and Co-ordination Staff out of the immediate Office of the Deputy Director, now the Deputy Director for Intelligence. The Central organization is grouped all over the intelligence, analysis and production of the Agency. Under this, reading from your left to right is the Office of Basic Intelligence which puts out the encyclopedias of the Intelligence Community.

often
If you recall, at the start of World War II when we wanted to know military operations there was tremendous scrambling to find the basic information we needed about countries, beach data, industrial production, railroad systems, and so on. This office, working largely with other agencies and acting primarily as a co-ordinating mechanism is now producing the National Intelligence Surveys, a program which will ultimately have basic encyclopedias on every area of the world.

The second office listed, the Office of Current Intelligence is the current intelligence office of the Organization charged with producing the National Current Intelligence, daily and weekly, and charged with back-stopping the Director in his capacity as Intelligence Advisor to the National Security Council.

The third office, the Office of Central Reference, is our files and library system, and as such services the entire Intelligence Community.

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

25X1A

[REDACTED]

The Central Office, the Office of National Estimates, could probably be appropriately called the pinnacle of the Intelligence Organization structurally in as much as this small office consists of the Board of National Estimates and their staff, and this is the office where the final National estimates are written in close collaboration with all of the other intelligence agencies and submitted in draft form to the Director and the IAC who sit down and agree on the final National estimate to be submitted to the policy maker of the Government.

The Office of Operations I've already described and its functions and organizations have not changed in the last ten years.

The Office of Research and Reports is the basic research office on the Soviet and Satellite Economy and on certain major industrial products as well as carrying a very large burden of the responsibility for geographic intelligence.

And the Office of Scientific Intelligence once again is self-descriptive with the responsibility here for research in the basic sciences which is then picked up with each of the military services, picking it up at the technological stage where it moves into production.

On the left, is the Deputy Director for Support Office. Now, this is the organization which supports the entire Agency from an administrative and logistical point of view. As you'll note, the DDS has the General Council's Office reporting directly to him as well as the Special Supports Assistant. Now the Special Supports Assistant deserves a special mention in as much as that is the individual who ties in and makes sure that our whole clandestine structure is being properly supported by the DDS organization. There are four staffs under the Deputy Director for Support: an Audit Staff charged with the audit of all our accounts and I'll mention it a little more fully when I mention the Comptroller; a

[REDACTED]

[REDACTED] a Medical Staff charged with the responsibility of keeping the Agency healthy; and a Management Staff concerned with seeing that we have an efficient organization, proper management procedures and are operating economically and efficiently.

The DDS has six line offices under him. The Office of Communications is fairly self-descriptive, but I should mention here that our Office of

[REDACTED]

25X1C

25X1A

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

25X1A

Now our Comptrollers Office, as well as having the responsibility of preparing the Agency budget each year and defending it or at least serving as the backstop for the Director in defending it before the Congressional hearings, also is responsible for accounting for every dollar that the Agency spends. There has been a fallacious myth which has travelled around that the CIA can spend money without accounting for it! That is incorrect. We try to keep as large a proportion of our funds as we possibly can without jeopardizing security on a vouchered basis in which instance the General Accounting Office will audit the accounts. On the balance of these accounts our own Auditor inspects the receipts which the Comptroller passes over.

The Logistics Office is self-descriptive. It should be mentioned that here, as well as in all of our transportation facilities, we also have a large accumulation of equipment and arms which must be maintained for emergency use.

Personnel Office, which is also charged with the administration of our Career Service System.

A Security Office—now there is an assumption that this is strictly a physical security office: that is not correct. When we were originally organized the Federal Bureau of Investigation commenced the investigatory clearance of our employees, then they dropped it because they were over-worked and needed to get rid of it. They took it up again briefly and then they asked us if we would establish our own organization permanently for investigating and clearing our own employees. This is a recurrent and constant procedure, incidentally. We have the system so that automatically when a person is transferred or promoted his security file is reviewed; and we have, working together with our counterintelligence system, a counterintelligence system inside the organization to maintain as secure as is humanly possible.

And, finally the Office of Training charged with the training across the board not only on the research side but on the clandestine side, because we are of the firm conviction that trained personnel are the key to good intelligence operations. That is a very brief description of the structure of the Agency. Thank you very much—
(Applause) (I know you couldn't see the chart and during this fifteen minutes (Captain Shade,) coffee break, you are welcome to come up and look at the chart. Captain, will you get them back reasonably close to fifteen minutes, please.) —————Coffee Break!

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

~~SECRET~~

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

MR. AMORY

Admiral Lorey, Gentlemen:

It's a pleasure to participate in this program and without more ado I'll take on where Mr. Kirkpatrick left off. He was talking to you about the structure of CIA: from here on out I'm going to talk about CIA only in so far as it is an articulate part of what we call an intelligence community. Frankly, that's the only way you can understand CIA because, by itself, it really doesn't make much of any sense.

In dollars and in head count it equals only about one eighth of the total investment of the United States in the Intelligence business. An organizational chart of CIA by itself is not very well balanced; that is because it engages in services of common concern, some of which it does all by itself and other things where it may have only one liaison man assuring himself that the community effort done by somebody else is adequate. In other words CIA's work either contributes to the work of the other departments in producing finished intelligence or that part of CIA in which I work, pulls together the work of each of the other departments in order to present the work of all to the NSC and the President. The organization (if we could have the first slide,) of this community is illustrated on this chart shortly to come before us. A little less light, if we could have it in the room is not a sort of egocentric idea of putting intelligence to the center of the whole Washington machinery, so much as to illustrate the subordination of intelligence to the planning structure.

Now I assume you have had plenty of instructional literature about the NSC. The president of NSC, shown as a unit on that chart, is at the top: the Intelligence component or feed into that being the Director himself, who sits not by statute but by directive as an advisor as apposed to a member of the Council. That is a very important proviso because it protects him from having to participate in decisions of policy in what we do about a certain situation and, therefore, his views as to what the situation is or what the situation portends, will never be suspect because somebody thinks he is an advocate for a particular course of action or line of conduct to deal with it. It is also very interesting and unique, as far as I can make out, in governments anywhere in the history of the world to find the head of the intelligence service actually sitting at the final center court round of governmental decisions. Everywhere else you will find intelligence represented through a departmental cabinet head or chief of staff committee or something else like that. We think we are being copied or are about to be copied [REDACTED] in some other places in this, but the people who wrote the National Security Act wrought very well in seeing that intelligence untrammelled by policy advocacy has a crack at the very top.

Now, the Director, as he speaks there, speaks from not only his authority but from the authority of the Intelligence Advisory Committee, that being composed of the heads of the intelligence services were the

-13-

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

Assistant Chief of Staff for the Army for Intelligence; the same name I understand now applied in the Air Force but was shortly to become obsolete; Director of Naval Intelligence; Deputy Director of Joint Staff for Intelligence; Mr. Hugh Cummings, Special Assistant to the Secretary of State for Intelligence; and the Director. That is four military and two civilian as full time members. Actually regularly participating in full is a representative of the AEC and a representative of the Director of the Federal Bureau of Investigation. But they talk or participate only on those matters that fall within the confidence of this agency. Under this IAC membership there are found committees representing the same groups in each of the functions that Mr. Kirkpatrick ticked off of our intelligence production.

In current intelligence the spot work there is the Watch Committee; in scientific intelligence there is the Scientific Committee, a special one on Guided Missiles, a special one on Atomic Energy; ORR, the Soviet research on economics is backstopped or supported (I'll talk about it in little more detail) by an Economic Committee; and the NIS Committee for basic intelligence. That is, each of the medium command responsible offices of CIA, in a sense wear the same kind of double hat that the Director does—one, a line job to run their part of the show, two, a co-ordinating job to see that that sphere or function of intelligence falls within their jurisdiction is efficiently and effectively conducted on a community-wide basis as well as within their own shops. This community is designed to function its structural setup to perform two major missions—one is to manage itself and the other is to produce substantive National intelligence.

Mr. Kirkpatrick talked about the National Security Council Intelligence Directives and they are the forms that this management takes. The DCI has no command responsibility obviously over a major general of the Army or the Air Force, or assistant secretary or level person in the State Department. That would gum everything up! The President is the only one who can command. The NSC is nothing but a group of the President's principal advisors surrounding him when he does act, but the IAC and the Director can recommend.

Now in fact, with the exception of one case so far, all NSCID's have gone up with the unanimous approval of the IAC and have, to all intents and purposes, been rubber-stamped by the NSC thus the IAC might be said to be a self-governing body, which is very nice. The two ones where there was a little difficulty were negotiated with some ease, whether I can make the same kind of statement a year from now after the current attempt to revise all NSCID's has run its course, I don't know. But the fact remains that the Intelligence Community has taken its own responsibility and done its own work that way, rather than going crying to the "umpire" in the White House at an NSC meeting. However, any gain like that has been compensated for by a certain rather heavy course.

There is a feeling, particularly after reorganization Plans 6 and 7 went in in the Department of Defense that this is a rather uncontrolled little body, particularly as the senior people on it from Defense are mere two-star generals and admirals certain people that we call the "palace

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

guard" of the Office of Secretary of Defense have taken a dim view of the IAC as managing itself and think that there ought to be a different scheme with the Departmental Chiefs rather than the Service Intelligence Chiefs playing a greater role. And secondly, in an effort to produce this unanimous front before our elders and betters at the NSC level we have taken an unconscionable period of time to resolve certain principles. It took over twelve months to sort out the assignment of Economic Intelligence between State, Military, and CIA, and some fifteen months of haggling to get a Guided Missile Intelligence Sub-committee. I sometimes wonder if we can justify that degree of lethargy in order to get this, but anyway we are aware of it and are working on it on a community basis.

Now, turning to substance, the NSC's basic policy paper charges the Intelligence Community, through the Director, with producing an intelligence organization capable of gathering the necessary data and analyzing it so as to deal with three primary problems. One with indications of hostile intentions giving maximum prior warning against aggressional subversion, against ourselves, our allies, or anywhere in the world—the Watch function (which I'll talk about specifically in a second). The second is the capabilities of foreign countries to effect our interests, neutral as well as enemy, and political and economic as well as military. And, finally, a nice neat catch-all just so they won't have any leisure time forecasting potential foreign developments any of them having a bearing on U.S. national security.

Now, first with respect to the advanced warning function that was conducted by the Watch Committee of the IAC, backstopped as far as we're concerned by our Office of Current Intelligence and by similar subdivisions of the Intelligence Agency, the progress in that in the last three or four years has been very notable.

We have now in constant operation one hundred sixty-eight hours a week a National Indication Center, jointly manned with full access, as far as we can bring it about to all the relevant data on the most expeditious means. We have to be careful in running a Watch Committee like this (General Cabell who chairs it pays particular heed to this point) not


25X6

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

being a Watch one.

The second problem is to be sure that we tie in as well as possible with our overseas Watch Committees and our friendly allied ones. A great deal of effort has gone into making sure that our communications



25X10

Finally, in order to make sure that a scheme like this works you have to harp back to the essential failure of Pearl Harbor, and there, I think, the best unclassified piece I know on it and really the most readable piece is Admiral Theopole's otherwise rather unimpressive book, but his narrative of the sequence of events of intelligence reporting and how each piece was handled is startlingly horrible from this point of view only, as far as from many others: Had any reasonable captain of infantry, fly-boy, or deck duty officer on a PC had all those pieces of paper on a bridge table in front of him on November 30, he not only could not have failed to predict an attack by the Japanese, but could not have failed to predict that it would come at the Hawaiian Islands and not in Singapore otherwise as its main thrust!

So we have tried to be conscious of the fact that you're no good unless you've got all the pieces on the table in front of you. And back in 1954 we got through an NSC Directive 5438, which charges, by Presidential Order, all departments and agencies of the Government, not just Intelligence agencies to make fully available to the IAC Watch Committee, all information and intelligence of reasonable creditability pertinent to its mission and functions, without restriction because of source, policy, or operational sensitivity. No one has a right any longer to say, "This is classified too high for the Watch Committee." And secondly, on the other side of the fence, to be sure that we will be prepared for what would be a reaction to some U.S. action they are all charged to keep the IAC Watch Committee informed concerning significant diplomatic, political, military, or other courses of action by the U.S. approved for immediate implementation which might bring about military reaction, or hostile action by the USSR or its allies.

Thus we believe we have now a machine operating around the clock, manned by competent specialists with access to all the relevant dope. There can be more Pearl Harbors and there can be awful ones, but it won't be because somebody hasn't done the advanced work of setting up a system and keeping it constantly in operation. There will be human failures only, but anybody who has better ideas or ideas that we can prove this, we are certainly desirous of hearing from them because we realize that this is a responsibility that transcends all others in its life-or-death significance.

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

¹⁶
SECRET

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

Now, the next kind of intelligence, (I'll stop just a minute or two to talk about by illustrating an intermediate group) economic intelligence on the Soviet Union. How are we organized in the Soviet Bloc to do that and, if I could have a quick look at slide two which will horrify you, slide two (this business which I know nobody can read) is a blow-up of that little EIC business. Here's the EIC with the Secretariat representing not only the IAC agencies, but here we draw in everybody else in the Government--Agriculture, Communication Commission, Federal Reserve Bank, and etc. that may have, and under it a series of functional sub-committees on the Chemical Industry, the Armaments Industry, the Electrical Power Industry, Ship Building Industry, etc. Now take that off, because I don't want anybody pouring around in this kind of wiring diagram for its own purpose, but what I want to illustrate is that machinery called for the addition to the Federal payroll of a total of exactly four people: Two professional and two secretaries who are the Secretariat. Everybody engaged in this machine was already on somebody's payroll. The object of the exercise was only to bring them together to see that all the experts in a given field were focused on a specific problem, whether it be the capacity of the Trans-Siberian Railroad, or the ability of the [REDACTED] somewhere else or something like that. The point is to settle these things in a forum that is made up of the experts, rather than get a lot of departmental positions sell it on a basis of phony or conflicting intelligence and then have a lot of people who are so senior that they can't possibly know any of the details of the problem haggle it out in a "mishmash" of policy and intelligence.

Now, finally, to get to the heart of the matter which is the production of National Intelligence. Now National Intelligence has been defined many times and it's really quite simple because it's defined by its need; we call it that correlated and evaluated information which the highest policy makers of a nation require for their deliberations and decisions. Obviously it overlaps and comprehends a lot of what is also required by the Chief of Naval Operations, or the Secretary of this or that department to run his own department, so they are not exclusive. The statute makes the Director personally responsible for producing National Intelligence and he could, in fact Mr. Kirkpatrick said, for a while his predecessor came perilously close to producing it himself or with his own CIA organization. The only trouble with that was, that naturally everybody else sitting around the NSC said, "Well, that may be what you boys think. It isn't what my boys think." And you hadn't done very much about making an omelet out of the eggs.

On the other hand you could require that everything be settled by a pure committee approach, that would be the opposite pull of solution, but the trouble with that is that if you take people who have many motivarious administrative duties and other items and force them to word-chop from scratch, you would get either an inferior product or at minimum you fail to get an integrated product. It would be the military section would be left to the military, and political to the State Department people, and the economic to the appropriate, and the appropriate to CIA, but there would be no internal cohesion.

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

So what we have devised is a system under our Board of National Estimates, which we think partakes of the best of both, in that we have a group impanelled called the Board of National Estimates, get the highest salaries that the Civil Service Commission allows, and have no administrative responsibility, no legislative ax to grind; they're not for or against a balanced budget, for or against any given organization of the Services, or any particular political policy in the Middle East. They are a jury of elder statesmen, not elder necessarily in years, but have been selected primarily because of their dispassionate judgment, proved and demonstrated in previous walks of life not necessarily intelligence.

For example, the head of it, a famous historian, Sherman Kent who did known work in OSS, Research and Analysis during the war and wrote the book—one of the most read books on intelligence generally. His vice-chairman, one of Admiral Woolridge's predecessors as your Commandant; General Bowles; the other naval admiral, Admiral Sherman who is Director of Naval Intelligence; and we are about to get an Air Force general, meanwhile General Cabell having taken care of the interests of the Air Force when the other two Services tended to gang up on them in the intelligence business; and a couple of historians; a businessman, an ex-general counsel of the Mutual Security Administration which is now ICA; and one appointed Assistant of Secretary of State Linden. The beauty of this board, as I say, is its freedom to concentrate on thinking out specific intelligence issue without fear of any pressure being put on it to find one way or another, or selling a departmental position down the river. At the same time with no problem of administering vast numbers of personnel, attaché assistants, and other things that a G-2 or Director of Intelligence has to do.

Very briefly, to tick off the sequence of events, how this machine operates, the demand for an estimate normally comes out of either the situation itself such as, the trouble in Syria is plain to everyone who reads the newspaper; or out of the machinery of planning at the NSC offices, where the Planning Board and the NSC staff says "It's about time isn't it that we had a look at our [REDACTED] We would like to bring a revision of it before the NSC in November. Will you have a National estimate for the Planning Board of the NSC three weeks before that?" About half of them are thus deliberately scheduled; the other half are developed to meet situations on the spur of the moment. More and more they specifically are requested to deal with options open to America, "What will be the result if we join the Baghdad Pact Military Committee but don't formally adhere? If we join the Baghdad Pact? If we don't join it at all?" Instead of writing an essay about the Middle East it is thus a very positive document and is of a maximum utility, we hope, to the policy makers either in the departments most closely concerned or in the NSC grouping as a whole.

Once you've decided to do an estimate the next thing to get very straight is what we call the terms of reference or the outline. Be sure that we have put down all the questions which, if they could be answered, the policy maker would like to have answered. Maybe you're not going to

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

25X6

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

be able to answer them; they're very unknown or unknowables, but at least let's be sure we've had a crack at them and toss them around. That is, checked out with the consumer, the policy user as well as with the intelligence specialist.

Then you whack that up according to best Communist tradition from each according to his abilities and you assign the job of producing a contribution to each of the appropriate agencies and departmental groups, not of writing a draft of that section but of writing a study which normally will be in the order of five to fifteen times as long as that portion of the ultimate national estimate will be. Those then come in on a scheduled deadline; if the time is awfully short they may actually come in in one day in a form of an oral presentation or some rough notes. And at that point the Board and its staff set things down together and, after reviewing these contributions, produce the first draft.

It is normally within the four corners of the contributions, but we do not regard ourselves as bound. If it's Air Force and Navy, for example, agree that the Soviet Union bomber force in 1960 will be such and such probably they will prevail, but we feel free to argue with them on the basis of the evidence which we've seen and so is the State Department representative or others as the case may be. In other words, there are no preserves in which anyone's particular word is law.

Once that draft is whipped into shape it is then sat on by the Board of Estimates as a whole by itself. This is where you get this isolation from reality, some people might say, at least from what we think misleading pressures that would exist under other circumstances, and they "murder-board" it, as many of you would say, improve it as best as they can, and then kick it back out to all of the IAC member agencies who have as much time as one can give them to review it, and then send their chief estimator for that topic, normally of a colonel/captain level or one under, to meet with a panel of the Board and rehash it again from a community version. At the end of that it goes to the IAC and, let me assure you there, that the members of IAC do not by any means (I have never seen them) rubber-stamp a document. Sometimes a document will go through with very few changes, but they regard themselves not just as head of their agencies in sitting there, but as a personally impanelled group by the President of the NSC of six or eight people, as the case may be, whose personal judgment militantly backed by their departmental experts is being collectively sought and they wrestle with them and frequently will run meetings very long and very arduously until they get the best possible view.

Now, the problem in any such collective effort is "how much do you strive for unanimity?" And we've worked carefully and wrestled with our souls on this for a long time, being very careful to err, if anything, on the side of being sure we set forth clearly and don't vary actual differences of opinion. The worst thing in the world would be to get agreed on what we call "tent language" sufficiently big so everybody would come in under it, but still so placid and meaningless that it doesn't convey anything to the reader or user. At the same time the other extreme would be

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

undesirable whereby you descended on every captious little matter or phraseology because then you wouldn't telegraph to your ultimate readers, maybe the President, Secretary of State, Secretary of Defense, those important issues on which the community is in fact split; because it's important not only that they realize there's a split but they realize that there is something important that they should take into account in making their policy decision. And normally, if the community is reasonably split it leaves to the policy maker freedom either to cop for the majority's views or the minority's, or preferably, if he's a good policy maker to say, "Well if a reasonable element of the Intelligence Community, for example, thinks that if we go into the Tongking Delta the Chinese Communists will move militarily as they did in Korea, therefore whatever we do about the fall of Dien bien Phu had better be done consistent with an enemy capability to mix it with us in actual hostilities."

When these papers are done they normally constitute and put out for the IAC either the Intelligence annex to an NSC paper or stand on their own bottom as useful background for some policy committee. My function in sitting on the Planning Board as the little side-kick, so to speak, of the Director sitting on the NSC itself is to be sure that any statements of fact, recitals, or others in an NSC paper are not inconsistent with the National Intelligence view of it.

Five, four, three years ago had an awful lot of trouble particularly with the top elements of the Office of Secretary of Defense who had no intelligence offices of its own but had an awful lot of views on things. That has now gradually circulated right on up to the top and any agency on the Planning Board that participates directly or through a subordinate department in the intelligence planning is normally a faithful backer of the Intelligence line.

But there are the Bureau of the Budget, ODM, this, that and the other things, many of which are represented here not in majority, I trust, who occasionally say, "Well, that may be what you think about Soviets having an in-flight refuelling capability, but, by God, I don't believe it! And I just refuse to see it in a policy planning paper." So the job is not complete sinecure in fighting with them.

As far as work on these papers is concerned we're not through when they're done, we constantly do two things with them: one is we conduct a post-mortem of the last paper in process of doing any succeeding paper on any country, area, or problem. What did we predict about Algeria eleven months ago? How has the situation drifted? Has it drifted faster than we said, better than we said, or worse than we said? Secondly, we have a group that meets up at Princeton of guys of calibre of George Cannon and Abe Lincoln and Max Milicon, and others who will not work full time for the Government now, at least like in Abe Lincoln's case stays at the faculty not because of himself but because of another Arkansas character. But we use them generally as a body of elder statesmen to review our work from their wisdom with full access, they're cleared for everything so they can read any background material they want on it and we use them to go over our problems with us and give us the frankest possible critique which we then pass out to the community.

-20-

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

I would like to say a word before I close on some problems about the Director's actual function at the NSC itself, in addition to speaking for, or promoting and defending the National Intelligence Estimative point of view on a given policy debate. He has a much more far reaching and difficult mission and that is to speak virtually from the hip on intelligence matters from an intelligence point of view on any matter that is coming before the Council and, even more than that, on anything that has happened anywhere in the world during the preceeding week or in two weeks, if the Council hasn't met a week before, as in the form of an intelligence briefing.

Now that briefing is prepared in our shop, but with the closest and most intense effort to make it represent the best expert feeling around the community without tying people down to an actual co-ordinating piece of paper. But, if we're talking about the Soviet ICBM announcement, you can be perfectly sure that we don't just put CIA's words into the Director's mouth, or he himself wants to know the best thinking of the Army, and the Navy, and the Air Force, and AEC on such a matter. That is, to my mind, one of the things I like best about President Eisenhower that when he first took over and was revising the NSC machinery and method of operation, he told Bobby Cutler that he wanted every meeting to start with a fifteen minute intelligence briefing. Sometimes they don't start with them but it has been a rare, rare exception when the Director hasn't gotten a chance to have a captive audience, you might say, of the Secretaries of Treasury, Defense and so on, knowing how busy particularly are those people who are not concerned directly with the day-to-day management of the National Security affair such as the State and Defense, thinking more of the ODM, Bureau of the Budget, Vice-President, and etc., etc. have very little chance to read and absorb themselves from intelligence publications, even though obviously available to them. This chance to be held to line and forced to think about the externals of the world situation for fifteen minutes is very constructive and the Intelligence Community can, I think, be rightly proud of him--terrific burden as it is on the Director.

Now, I know somebody would like to ask, "How good have these estimates been?" There's no statistical way, I think, of giving an honest answer, of course. Since we've had this system there's been no major outbreak of hostilities. The Israeli attack on Egypt not being major in my mind in that sense and therefor the great question of "Are the Russians up to trouble now--or in the future?" we haven't really been tested on.

I think we have been pretty good on most capability pictures despite Allsop's and other characters': we certainly have not compromised down our estimates on their projected abilities. We have been up to a year or two behind on particular showings of a particular weapons, but, as far as their over-all capability is concerned, I think it's fair to state that our scatter-gram is all around the line of truth as hindsight shows it

-21-
SECRET

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6
out. I think where we have been inadequate is in foreseeing really great soft flexible changes of pace. Nobody, I think, really saw in advance (and certainly no estimate I have seen) how completely Chou-en Lai adopted the soft love-and-kisses line at Bandung and went out to woo rather than terrify the people of Asia. No one saw early enough that the Soviet would use its vast stockpile of obsolescent arms and its excess capacity in certain types of production, machine tools, and earth moving equipment to make as big a splash on the underdeveloped areas' economic front as they did. It has been in those things we have been weak rather than on others.

Now, I'd like to tick off for you, finally in closing, the problems that I think in this area are only partially solved and remain with us, and I hope that some of you, in thinking about the papers you will write this year and the general thinking you were doing at the War College, will bear these in mind, and that out of your work may come some help to us on the line.

The first is this question of full disclosure within the U.S. Government; I read you the NSC Directive about the Watch Committee, but let me tell you that still it isn't anywhere near as good as it should be. There still is too much of a tendency to chest the cards and say, "Oh, this is so sensitive, this is 'Eyes Only', the Secretary of Chief of Staff" and what you're doing then is depriving the desk man, the key area expert, who really knows the politics in a given country or something like that of the most valuable intelligence or information that he could have to keep abreast of the situation, which is improving, but it isn't good enough yet.

Secondly, is genuine co-ordination and articulation. We still do too much of what each other does also--there is pervasive feeling that each chief is entitled to a full rounded intelligence organization and that his intelligence chief doesn't rely on the product of a rival intelligence organization to service his chief, and therefore, we in CIA

[REDACTED] 25X6
that out and we're working on it hard because sooner or later Congress and its economy-mindedness is going to straighten it out with a meat ax, and then the United States could get badly hurt!

We are also worried about a problem of interchange with our allies,

inextricable
[REDACTED] 25X6
[REDACTED] 25X6
SECRET

25X6

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6

Next 1 Page(s) In Document Exempt

Approved For Release 2002/01/07 : CIA-RDP78-03527A000400170044-6